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IN THE
Supreme Court of the United States
October Term 1948

No. 790

SALES AFFILIATES, INC.,
Petitioner,

v.

NATIONAL MINERAL COMPANY,
now, by change of name,
HELENE CURTIS INDUSTRIES, INC.,
Respondent.

**PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR
THE SEVENTH CIRCUIT AND BRIEF IN
SUPPORT OF PETITION**

HOBART N. DURHAM,
30 Broad Street,
New York 4, N. Y.,
Counsel for Petitioner.

GEORGE B. FINNEGAN, JR.,
JAMES J. DWYER,
Of Counsel,
30 Broad Street,
New York 4, N. Y.



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PETITION FOR WRIT OF CERTIORARI

*To the Honorable the Chief Justice and the Associate
Justices of the Supreme Court of the United States:*

Petitioner prays that a writ of certiorari issue to the United States Court of Appeals for the Seventh Circuit to review the judgment entered by said Court on February 7, 1949 in the above entitled cause, reversing a judgment of the United States District Court for the Northern District of Illinois, Eastern Division.

A certified transcript of the record in this case, including the proceedings in and the opinion of said Court of Appeals, is furnished herewith in compliance with Rule 38 of this Court.

I. Jurisdiction

Jurisdiction is invoked under Section 1254(1) of the Judicial Code (28 U. S. C. 1254) and Rule 38(5)(b) of the Supreme Court of the United States. The decree to be reviewed was entered on February 7, 1949 (R. 1618). A petition for rehearing was filed on February 21, 1949 (R. 1619) and denied March 14, 1949 (R. 1637).

II. Summary and Short Statement of Matter Involved

Petitioner sued Respondent for infringement of Winkel patent No. 2,051,063 (R. 1374-1380); Evans and McDonough reissue No. 22,660 (R. 1382-1386); and of Evans and McDonough patents Nos. 2,151,692; 2,196,201. The District Court held valid and infringed claims 11 to 31 and 33 to 40 of Winkel patent No. 2,051,063 and claims 1 to 5, 7 to 10 and 13 to 15 of reissue patent No. 22,660 (R. 1353-1354); and held patents Nos. 2,151,692 and 2,196,201 invalid for want of invention.

Respondent appealed as to the two patents held valid and infringed by the District Court. The Court of Appeals reversed the District Court, holding the Winkel patent invalid solely for want of invention over the prior patent to Sartory No. 1,565,509, and reissue No. 22,660 invalid solely for want of invention over the prior patent to Baker No. 1,760,102. Both of these prior art patents were fully considered by the Patent Office before allowing the claims in suit (R. 809, 856, 871, 1034). These same prior art patents formed a principal defense and were fully considered by the trial court.

The trial occupied two full weeks. About three-fourths of the proof bears on matters touching the validity of the

Winkel patent, as to which there was active controversy on the part of expert and fact witnesses for both parties. The trial judge witnessed many scientific demonstrations of the construction and operation of the patents in suit and of the prior art patents. After the extended trial, consideration of briefs and proposed findings of fact and conclusions of law, and after hearing oral argument, the trial judge rendered his brief opinion from the bench (R. 611). Thereafter he heard further extended argument on proposed Findings and Conclusions submitted by both parties, before making the extensive and detailed Findings of Fact and Conclusions of Law (R. 615-634, R. 1330-1354).

A. Winkel Patent No. 2,051,063

The District Court found the Winkel patent in suit to be pioneer and basic because Winkel's invention created the art of machineless permanent waving (R. 1335, Finding 15).

Before Winkel, all permanent waving of women's hair was dangerous and very uncomfortable because the required heat was provided by machines using heavy heating tubes with red-hot wires (electric type) or equally hot and heavy chemical cartridges (Sartory type). The customer's head was shackled to the heater-supporting machine.

All prior heating systems, both electrical and chemical (Sartory), were inherently capable of and did burn and destroy hair by over-heating. These problems had existed in the permanent waving art from 1905 until Winkel's invention about 1930, (R. 1332-1334, Findings 9 to 12).

Winkel's patent teaches how to make a small, light, flexible, wafer or pad of heating chemical which produces sufficient heat to permanently wave hair without discom-

fort and without requiring any machine or external support. The woman's head is not shackled—she is free to move about while her hair is being processed.

More important, Winkel's patent teaches the art how to construct a pad that is inherently incapable of dry-baking or burning hair.

The proof showed and the District Court found that because of important structural differences the Sartory pad would produce temperatures on the hair over 450° F, which could and did dry-bake and burn the hair, whereas with Winkel's pad, temperature at the hair never exceeded 212° F and the hair could not be dry-baked or burned (R. 1333, 1336, Findings 10, 21).

The Court of Appeals completely disregarded this proof and the District Court's findings thereon, although the Record shows that this vital difference in operative effect between Winkel and Sartory became the main issue in the case (R. 148-9, 604).

An understanding of the differences between the Winkel and Sartory patents can best be had through the expert testimony and scientific demonstrations of how their differences in *structure* (which the Court of Appeals noted) are responsible for the new and vastly better *operation* and *result* of the Winkel device (which the Court of Appeals ignored). The Court of Appeals expressly relied solely on its own analysis and comparison of the patents (R. 1616). Thus, it reached a result opposite to that reached by the skilled experts of the Patent Office, who also considered the Sartory patent, and by the District Judge who heard and saw the conflicting fact and expert witnesses and observed demonstrations of embodiments of the patent and prior art in question.

B. Evans and McDonough Reissue Patent No. 22,660

Evans and McDonough patent reissue No. 22,660 discloses and claims improved exothermic or chemical heating compositions and process for machineless permanent waving. They were the first chemical heating compositions capable of use in permanent waving, except for the unslaked lime compositions disclosed by Winkel and used and discontinued by plaintiff (1932-1934) (R. 1347, Findings 59, 60). The patented heating compositions were more stable than lime, were lighter in weight and subject to better control than lime, were not subject to substantial swelling in use as lime had been, and were entirely safe in shipment and use, although the principal components are explosive in certain mixtures (R. 1343, Finding 47).

Evans and McDonough reissue patent disclosed and claimed compositions of matter which when wet with the water in a permanent waving pad would generate heat and produce the correct time-temperature relationship needed to permanently wave hair.

Baker patent No. 1,760,102 (the sole ground on which the reissue patent was invalidated) discloses a chemical heating composition for body warming purposes to produce a mild sustained heat for a long period of hours and incapable of producing the time-temperature relationship necessary for permanent hair waving.

Certain of the narrower claims of the reissue patent further specify ingredients in proportions not disclosed by Baker and which produce the optimum time-temperature relations for permanent hair waving. Thus, all of the claims in suit of the reissue patent are distinguished from the teachings of the Baker patent by including critical

differences in composition, and most of them include additional critical differences in the proportions of ingredients which are best adapted to produce the desired result (R. 1348, Finding 65). Consequently, the actions of the ingredients of the reissue patent are entirely different from the actions of Baker's ingredients.

The Baker patent was cited and considered by the Patent Office Examiner in the prosecution of the application for reissue No. 22,660 and the claims in suit were allowed by the Board of Appeals of the Patent Office after such consideration. During the trial, the trial judge heard the conflicting fact and expert testimony with regard to the invention of the reissue patent and the disclosure of the Baker patent, observed demonstrations of the different compositions of matter and on this testimony and scientific proof, found that Baker did not anticipate the claims in suit of reissue No. 22,660 and that these claims were inventive over said Baker patent.

As it did with Winkel's patent, the Court of Appeals disregarded findings of the Trial Court based on conflicting expert and fact testimony and scientific demonstrations and considered only the face of the prior art and that of the reissue patent in suit.

The Court of Appeals held reissue No. 22,660 invalid as to all of the claims in suit solely on the basis of the prior patent to Baker No. 1,760,102, a prior patent which had been fully considered by the Patent Office Examiners and Board of Appeals and the trial judge and over which the Patent Office Board of Appeals and the trial judge had held the claims to be patentable (R. 1047-1052, R. 1348, Finding 66).

III. Questions Presented

1. May the Court of Appeals for the Seventh Circuit properly substitute its own "analysis of prior patents" and "comparison of what is taught by them and what is taught by the patentees in the two patents in suit" for the findings of the trial judge based on demonstrations, tests and the conflicting testimony of fact and expert witnesses in open court?

2. May the Court of Appeals for the Seventh Circuit properly ignore the testimony and exhibits of record as to the construction, operation and results of a patent in suit as compared with the teachings of a prior art patent and, notwithstanding Rule 52 (a) of the Federal Rules of Civil Procedure, make its own contrary "ultimate findings" based solely upon its own analysis and comparison of said patents?

3. May the Court of Appeals for the Seventh Circuit properly hold claims of a patent unpatentable over the disclosure of a prior patent after the technically trained officials of the Patent Office and the trial judge had fully considered the identical question and had found patentable invention over such prior patent, in the absence of clear error?

4. Is patentable invention a question of fact or a question of law?

5. In a patent infringement suit, may a defendant prevail, having proved on trial as a special matter of defense under 35 U. S. C. 69, a prior patent which has been fully considered by the duly authorized officials of the Patent Office and has been held by them not to describe the claimed invention, clear error being absent?

IV. Reasons Relied on for Allowance of the Writ

1. Important questions of patent law have been decided in a manner in conflict with the decisions of this Court.

Thus:

(a) In holding the claims in suit of Winkel and Evans *et al.* patents invalid, the Court of Appeals violated Rule 52 (a) of the Federal Rules of Civil Procedure by setting aside the findings of fact as to invention over the Sartory and Baker patents, which findings were based upon evidence consisting largely of the testimony of experts and scientific demonstrations whereby the trial judge was enlightened. This Court's decision in *Graver Tank and Manufacturing Co., Inc. v. Linde Air Products Co.*, 336 U. S. 271, was therefore not followed.

(b) The court below also disregarded the decision of this Court in *Graver v. Linde*, by making its own "ultimate findings" based solely upon analysis and comparison of both patents in suit with the prior art patents and in order to do so ignored the testimony, exhibits, and evidence of instructive scientific demonstrations in the record.

(c) The decisions of this Court and of the Courts of Appeals for the First, Second, Third, Sixth, Eighth, Ninth Circuits, and for the District of Columbia are uniform in holding that patentable invention is a question of fact, while the Circuit Court of Appeals for the Seventh Circuit has stated and is alone in following the erroneous doctrine that patentable invention is a question of law, and has followed its own unique doctrine in deciding this case with respect to both patents in suit.

2. Important questions of patent law not heretofore settled by decisions of this Court are raised.

Such questions are:

(a) Where patentable invention has been found to exist over a certain prior art patent by the administrative determination of the duly authorized and technically qualified Examiners of the Patent Office, and where the trial judge concurs with the Patent Office after a prolonged trial during which he saw and heard numerous conflicting expert and fact witnesses and was enlightened by scientific demonstrations and tests, may a Court of Appeals ignore the concurrent administrative and judicial findings and substitute its own opinion based solely upon examination of the prior art and the patents in suit? This question of patent law does not appear to have been passed on in any previous decision of this Court and is here presented with respect to both of the patents in suit.

(b) 35 U. S. C. 69 provides:

“In any action for infringement the defendant may plead the general issue, and having given notice to the plaintiff or his attorney thirty days before, may prove on trial any one or more of the following special matters:—

• • •

Third: That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than one year prior to his application for a patent therefor;”

Quaere: Does this section extend to the case where the prior patent is one which has been cited and fully considered by the Examiners of the Patent Office who, acting within their administrative capacity, held it not to disclose the invention claimed in the patent suit?

3. The Court below has departed from the accepted course of judicial proceedings.

The Court of Appeals for the Seventh Circuit has treated findings of fact which could not be reversed on the factual showing of the record as though they were conclusions of law. By this process it reached a result otherwise unreachable.

Wherefore, it is respectfully submitted that this petition for a writ of certiorari to review the judgment of the Court of Appeals for the Seventh Circuit should be granted.

SALES AFFILIATES, INC.

By HOBART N. DURHAM,

30 Broad Street

New York 4, N. Y.

Counsel for Petitioner

Of Counsel:

GEORGE B. FINNEGAN, JR.

JAMES J. DWYER

30 Broad St.

New York 4, N. Y.

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**BRIEF IN SUPPORT OF PETITION FOR
WRIT OF CERTIORARI**

Petitioner believes that a writ of certiorari should be granted in this case for the following reasons, and accordingly the discretionary power of this Court is invoked.

The Opinions of the Courts Below

The opinion of the District Court is not reported. It appears in the Record at R. 611, 612. The Findings are at R. 1330-1351.

The opinion of the Court of Appeals for the Seventh Circuit is reported at 172 F. 2d 608. The opinion appears in the Record at R. 1609 and the judgment entered upon the appeal appears at R. 1618. Petition for rehearing (R. 1619) was filed February 21, 1949, and was denied without opinion on March 14, 1949 (R. 1637).

Jurisdiction

As noted in the petition, jurisdiction is invoked under Sec. 1254(1) of the Judicial Code 28 U. S. C. 1254(1).

Muncie Gear Works v. Outboard Marine & Mfg.

Co., 315 U. S. 759;

Williams Mfg. Co. v. United Shoe Mch. Co., 316

U. S. 364;

Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.,

321 U. S. 275.

Statement of Facts

The essential facts are set forth in the petition.

Specification of Errors To Be Urged

The Court of Appeals erred:

1. In holding invalid, and therefore not infringed, claims 11 to 31 and 33 to 40 of Winkel patent No. 2,051,063, and in reversing the judgment of the District Court with respect thereto.

2. In holding invalid, and therefore not infringed, claims 1 to 5, 7 to 10 and 13 to 15 of Evans and McDon-

ough reissue patent No. 22,660, and in reversing the judgment of the District Court with respect thereto.

3. In treating the trial court's findings of fact as conclusions of law, and in making its own "ultimate findings" based upon its own "analysis of prior patents and a comparison of what is taught by them and what is taught by the two patents in suit."

4. In ignoring the testimony and exhibits of record as to the construction, operation and results of the patent in suit No. 2,051,063 and reissue No. 22,660 as compared with the teachings of the prior art.

5. In holding invalid claims 11 to 31 and 33 to 40 of Winkel patent No. 2,051,063 solely on the basis of the prior patent to Sartory No. 1,565,509, notwithstanding the fact that duly authorized and technically trained officials of the Patent Office had considered the same question and found patentable invention to be defined by the claims.

6. In reversing the determination of the Patent Office officials with respect to the patentability of claims 11 to 31 and 33 to 40 of Winkel patent No. 2,051,063 in the absence of clear proof that they were mistaken and that there was a lack of patentable novelty, which judgment of the Patent Office officials was strengthened by the findings of fact of the trial judge based upon demonstrations, scientific tests, and conflicting fact and expert testimony.

7. In setting aside the determinations of patentability made by an administrative agency and affirmed by the

District Court and substituting its own judgment for the administrative determinations.

8. In holding invalid claims 1 to 5, 7 to 10 and 13 to 15 of Evans and McDonough reissue patent No. 22,660 solely on the basis of the prior patent to Baker No. 1,760,102 notwithstanding the fact that duly authorized and technically trained officials of the Patent Office had considered the same question and found patentable invention to be defined by the claims.

9. In reversing the judgment of the Patent Office officials with respect to the patentability of claims 1 to 5, 7 to 10, and 13 to 15 of Evans and McDonough reissue patent No. 22,660 in the absence of clear proof that they were mistaken and that there was a lack of patentable novelty, which judgment of the Patent Office officials was strengthened by the findings of fact of the trial judge based upon demonstrations, scientific tests, and conflicting fact and expert testimony.

10. In following the precedent established by its own cases that patentable invention is a question of law and not a question of fact.

ARGUMENT

Reasons Relied on for Allowance of Writ

This Court should grant the writ prayed for because:

I. Important patent questions have been decided contrary to this Court's decisions.

The court below has applied principles of law which are in conflict with this Court's cases and, if extended to other patent causes, the error of the principles followed by the court below will be grave.

a. The Court of Appeals for the Seventh Circuit misinterprets Rule 52(a) F. R. C. P. and has refused to follow this Court's decision in *Graver v. Linde*.

The Court of Appeals has repudiated the plain meaning of *Graver Tank and Manufacturing Co. v. Linde Air Products Co.*, *supra*.

The Court of Appeals correctly states the law that, under Rule 52 (a) F. R. C. P., a finding of fact of a District Court may not be reviewed on appeal unless it is "clearly erroneous", but notwithstanding the fact that the trial in this case occupied the trial judge for a period of two full weeks, and during the trial, the trial judge had the opportunity of seeing many scientific tests and demonstrations of both the invention of the patents in suit and of the prior art, and also had the opportunity of judging the credibility of the conflicting testimony of the fact and expert witnesses produced by the plaintiff and defendant, the Court of Appeals proceeded to disregard all of the

pertinent findings of the trial judge with respect to the various questions of invention and validity. The Court of Appeals also apparently ignored much of the testimony, exhibits and results of the scientific tests and demonstrations, and proceeded to determine the question of validity "entirely upon an analysis of prior patents and a comparison of what is taught by them and what is taught by the patentees in the two patents in suit" (R. 1616).

Some of the more important tests and demonstrations observed by the trial judge appear in the record (R. 93-95, 100-108, 118-122, 127-134, 141-146, 313, 314, 322-325, 341-344, 346-349, 349-359, 364-368, 534, 601-604).

Each of the findings of fact of the District Court is amply supported by the evidence, and there is conflicting evidence with respect to almost all of the findings. Thus, the findings of the District Court are those of the trial judge who saw and heard all of the witnesses and was able to observe their behavior and judge their credibility. Almost all of the detailed findings of the District Court are indexed to the transcript of the testimony. The "ultimate findings" of the Court of Appeals for the Seventh Circuit are apparently based solely upon the face of the two patents in suit and the two patents of the prior art.

Thus, while professing to follow Rule 52 (a) of the Federal Rules, the Court of Appeals for the Seventh Circuit has violated the rule by substituting its own findings and conclusions for those of the District Court.

This action of the Court of Appeals is apparently based upon its position as clearly and succinctly outlined in *National Slug Rejectors Inc. v. A. B. T. Manufacturing Corp.*, 164 F. 2d 333, where it held that "patentable invention is a question of law."

The Patents in Suit

Both patents in suit relate to the permanent waving of women's hair and form the basis for machineless permanent waving which has largely replaced the cumbersome and dangerous machines universally used prior to the invention of the Winkel patent No. 2,051,063. The machineless system of permanent waving was made possible by the small pads or envelopes of the Winkel patent, which contain a chemical heating composition and may be wet with water to start the heating action. They are then positioned on the wound tress of hair to be waved and heat the hair under proper conditions of time and temperature to produce the desired permanent wave.

The Winkel patent discloses and claims the form of heating pad for this purpose and a process of using it. The Evans and McDonough patent claims an improved composition of matter for generating the required heat when wet with water, as well as the process of generating such heat.

Winkel Patent No. 2,051,063

Prior to Winkel, all permanent waving was dangerous and uncomfortable due to the high temperatures necessarily employed, and additionally the woman was shackled by her head to a heavy, cumbersome machine. All systems of permanent waving prior to Winkel were capable of and did burn and destroy hair by overheating, while the Winkel pads and process are inherently incapable of burning or destroying hair about which they are wrapped.

Winkel for the first time provided a safe and comfortable method of waving and the means for carrying out such a method.

The Patent Office allowed Winkel's claims over the prior patent to Sartory No. 1,565,509, which was the principal prior patent urged by the defendant as an invalidation of the Winkel claims in suit. Based upon this conflicting testimony of fact and expert witnesses and upon many demonstrations and scientific tests during the two weeks of trial, the trial judge found that Winkel's device:

Was different from the Sartory patent (R. 1336, Finding 21).

Eliminated the danger of burning or dry-baking the hair (R. 1333, Finding 10b).

Eliminated the need for timing the heating action or for controlling the temperature (R. 1333, Finding 10b).

Lightened the load on the customer's head and otherwise made her more comfortable (R. 1333, Finding 10a).

Could be used without any machine or other bulky equipment, thus leaving the woman free to move about at will (R. 1333, Finding 10a).

New results were thus achieved by Winkel. The importance of these results is shown by the fact that Winkel founded the art of machineless permanent waving (R. 1335, Finding 15), his invention has completely replaced the Sartory type of chemical heater (R. 1332, Finding 9b), and it has been used in a tremendous and increasing volume, Plaintiff's sales since 1938 averaging about 50,000,000 pads per year (R. 1334, Finding 14).

Both Winkel and Sartory related to the chemical heating of a wound tress in permanent waving. However,

Winkel is *inherently incapable* of producing a temperature above 212° F. (R. 1333, Finding 10b) while the Sartory apparatus, also using unslaked lime and water *produces dangerously high temperatures of 450° F.* (R. 1332, Finding 9b). Superheated steam at such temperature can burn and completely destroy the hair which should be heated by moist steam at no more than 212° F.

Only Winkel provides a moisture-containing absorbent slab which lies between the heating chemical and the hair so that it automatically acts as the heat-generating, temperature-controlling and hair-protecting medium (R. 1333, Findings 10b, 11).

The major physical difference between Winkel and Sartory is that the exterior face of Winkel's pad is impervious so it can retain steam and moisture and the inner face is moisture-pervious and is separated from the hair by the protective, wet, absorbent slab, while the Sartory pad is pervious on both sides, the moisture is applied from the outside of the pad remote from the hair, and can be superheated as it passes through the unslaked lime and flows from the perforations on the face of the pad in contact with the hair. Because of the structural differences in the two pads, Sartory's pad would produce temperatures on the hair of 450° F. and over to burn and char the hair (R. 1332, 1333, Findings 9, 10, 11).

Defendant's President Gidwitz also applied for a patent on the same subject matter. In an interference proceeding with Winkel, Gidwitz did not move to dissolve or quash the interference (Patent Office Rule 122) on the basis of Sartory. The interfering claims were awarded to Winkel and are here in suit (R. 1334, 1337, Findings 13 and 22, R. 700, 710, 711, 809).

The facts relating to the differences in structure, operation and result between the Winkel invention and the prior art were not obvious from the face of the patents, but were only understood after the trial judge had heard fact witnesses and expert witnesses for both sides, and had seen the numerous demonstrations and scientific tests. There was conflicting fact and expert testimony and notwithstanding defendant's testimony that hair had been burned by Winkel pads (R. 601-604), the defendant's witness refused the opportunity of demonstrating such burning in open court after he had agreed to do so (R. 398, 608). This inherent incapability is not spelled out in the Winkel patent itself, but the structure and method clearly disclosed in Winkel's specification and claimed by his claims have this novel result as a necessary consequence (R. 1338, Finding 25). Even if the correctness of the District Court's findings of fact so far as they were based on the conflicting evidence were reexaminable on appeal, the Court of Appeals could not in any way have the benefit of actual observation of the numerous demonstrations carried out before the trial judge.

It is particularly to such a type of case that this Court's decision in *Graver Tank & Manufacturing Co., Inc. v. Linde Air Products, supra*, is most clearly applicable. Notwithstanding the controlling force of this decision on the case here presented, the Court of Appeals adhered to its decision and denied petitioner's petition for rehearing, although the petition for rehearing was supplemented by reference to this Court's decision in *Graver v. Linde*.

Evans and McDonough Reissue Patent No. 22,660

Evans and McDonough reissue patent discloses and claims an improved chemical heating composition and process for machineless permanent waving. Except for the unslaked lime of the Winkel and Sartory patents, the Evans and McDonough heating composition was the first which was capable of being used in permanent waving (R. 1345, 1347, Findings 53, 59). The improved heating composition, due to its lighter weight and better control obtainable, and the fact it was more stable than lime, did not swell in use and was entirely safe in shipment and use, completely displaced the use of unslaked lime by plaintiff and others (R. 1343, 1344, Findings 47, 48).

The chemical composition of the reissue patent is a mixture which, reacted with a small amount of water, produces sufficient heat for a sufficient length of time to bring the waving solution on a wound tress of hair to the boiling point of water (212° F.) in about one minute, and maintains that temperature for several minutes without burning the hair or endangering the patron or operator by explosion, fire or other harmful chemical or physical action (R. 1343-1345, Findings 48 and 52).

Evans and McDonough accomplished this result by combining a metal (such as aluminum), an oxidizing agent (such as potassium chlorate or sodium persulphate), an acidic ingredient (such as maleic acid), a catalyst (such as copper containing material), and a chemically-inert absorbent or filler (such as talc), which renders the otherwise explosive mixture safe, reduces the intensity of and prolongs the heating action (R. 1344, 1345, Findings 50, 51).

Potassium chlorate and sodium persulphate are dangerously active chemicals and substantial proportions of either of them mixed with metals such as aluminum or with organic matter such as charcoal or sawdust, form sensitive, highly explosive mixtures, which are dangerous to ship or use (R. 1343, Findings 48, 49).

Baker patent No. 1,760,102, over which the Court of Appeals held the reissue claims invalid, was cited by the Patent Office and the claims of the reissue patent were held patentable over it by the Board of Appeals. It discloses a composition for use as a body-warming pad to produce a mild, sustained heat over long periods of hours, and is completely incapable of producing boiling or hair-waving temperatures (R. 1347, Finding 61).

Baker discloses no inert absorbent as defined and disclosed in the reissue patent, and an element in each of the claims in suit. Instead, Baker uses an organic absorbent material, such as sawdust or charcoal, which would not be inert when mixed with a substantial amount of an oxidizing agent (R. 1347, 1349, Findings 59 to 67).

In Baker's composition, the heat is generated by the action of oxygen in the air on the metal, and not from any oxidizing agent within the mixture, the small amount (1.2%) of potassium chlorate acting as a depolarizer to maintain the reaction (R. 1347, Finding 60). In the reissue patent composition the much larger percentage of potassium chlorate is the only oxidizing agent, and the reaction is maintained by the copper oxide acting as a catalyst (R. 1344, Finding 51).

If the quantity of potassium chlorate in Baker's composition were greatly increased to correspond with that of the reissue patent, the action of the potassium chlorate

would be completely changed and the sawdust, charcoal or other organic absorbent material specified by Baker would render Baker's mixture highly explosive and dangerous (R. 1348, Findings 62, 63).

Thus, there are critical differences in ingredients and critical differences in proportions between the reissue claims in suit and the disclosure of the prior patent to Baker, and these differences not only produce a new result, but this new result is achieved by a different mode of action (R. 1348, Findings 61, 65).

It is well known that even small changes in chemical compositions will often produce totally different and unpredictable results, although such minor changes in proportion might seem unimportant in themselves to one unfamiliar with the different results.

If the Court of Appeals is warranted in substituting its own opinion as to the meaning of the specification and terms of the patents in suit and of the disclosure of the prior patents, and substituting its own analysis for the findings of the trial judge, it would seem that there was very little place for expert testimony even in litigation such as this, where complex chemical knowledge is involved. Here, the expert witnesses were in disagreement as to the action of the difference ingredients, and even as to whether or not certain of the mixtures were explosive (R. 215, 441, 490). If such expert testimony be disregarded, there would seem to be little basis for this Court's stressing the value of the enlightenment of the trial judge by scientific demonstrations.

Thus, as regards both patents in suit the Court of Appeals decided this case in a manner in conflict with this Court's decision in *Graver v. Linde Air Products*.

b. The Court of Appeals for the Seventh Circuit adheres to its own rule that "patentable invention is a question of law," in probable conflict with the decisions of this Court.

The Court of Appeals for the Seventh Circuit is alone in holding that patentable invention is a question of law. It follows its own line of cases as authority for reversing the findings of the District Court on this basis.

The pertinent decisions of the Court of Appeals for the Seventh Circuit are:

National Slug Rejectors Inc. v. A. B. T. Manufacturing Corp., 164 F. 2d 333, 336;

Loney Co. v. Ravenscroft, 162 F. 2d 703, 704.

This Court in *Thompson v. Ford*, 265 U. S. 445, and *United States v. Esnault-Pelterie*, 299 U. S. 201, has held that invention is a question of fact, and in *Williams v. United Shoe Machinery*, 316 U. S. 364, this Court also held that findings that a new combination, combined in a new way to produce an improved result, were findings of fact which would not be disturbed where there was evidence to support it. Consequently, claims to such a combination were valid.*

Notwithstanding this holding by this Court, the question of whether patentable invention is one of law or of fact is apparently not entirely free from doubt in the lower Courts. The decision of the Circuit Court of Ap-

* **Note:** The dissent of Mr. Justice Black concurred in by Mr. Justice Douglas in *Graver Tank v. Linde Air* seems to indicate that such findings of patentable invention and patentability are considered by this Court to be findings of fact and not questions of law.

peals, First Circuit, in *Lincoln Stores, Inc. v. Nashua Mfg. Co.*, 157 F. 2d 154, 163, states:

“Whether the question of invention is one of fact or of law is not too clear on the authorities; this uncertainty is indeed not entirely dissipated by consideration of decisions of the Supreme Court.”

This decision, holding that invention is a question of fact, thus accords with the Court of Appeals for the Second, Third, Sixth, Eighth and Ninth Circuits and for the District of Columbia, which are at odds on this point with the Court of Appeals for the Seventh Circuit.

Recent pertinent cases in the several Circuits are:

Schering Corp. v. Gilbert, et al., 153 F. 2d 428, 432 (C. C. A. 2);

Hazeltine Corp. v. General Motors Corp., 131 F. 2d 34 (C. C. A. 3);

Vulcan Corp. v. Slipper City Wood Heel Co., 89 F. 2d 109 (C. C. A. 6);

General Motors v. Kessling, 164 F. 2d 824 (C. C. A. 8);

Stoody Co. v. Mills Alloys, 67 F. 2d 807 (C. C. A. 9);

Besser v. Ooms, 154 F. 2d 17 (C. A. D. C.).

No decisions on this point have been found by the Courts of Appeals for the 4th, 5th, or 10th Circuits.

II. Important Questions of Patent Law, Not Heretofore Settled, Are Raised.

a. Is the Patent Office determination of patentability entitled to the usual binding effect of other administrative determinations where the precise issues are later raised?

The present case presents a question of fundamental importance in patent law which we believe has not been ruled on by this Court in any previous case, and is here presented with respect to each of the two patents in suit.

Congress established the Patent Office with its several hundred technically trained officials, each a specialist in his own field, to examine patent applications, to search and cite the pertinent prior art, and to reject or allow the claims of a patent application in accordance with the examiner's judgment as to whether or not these claims define patentable invention over the prior art so found.

With respect to *each* patent here in suit, the examiner cited the *very* patent which the defendant most strongly urges as a defense and which the Court of Appeals relied on to show lack of invention.

The examiners are chosen for their knowledge of scientific and technical subjects, and with experience in their respective technical fields have become skilled in the interpretation of patent claims and the prior art and in deciding whether or not the claims of a patent application define invention over the prior art.

No case of this Court has been found which passed upon the question of the weight which should be accorded to the administrative determination that claims define patentable invention. The administrative holdings of

other duly authorized administrative bodies are held to be binding unless shown to be clearly erroneous.

In *Swayne and Hoyt v. U. S.*, 300 U. S. 297, 303, this Court considered the effect of administrative determinations reached by a duly authorized agency and held:

"Such determinations will not be set aside by courts if there is evidence to support them. Even though, on consideration of all the evidence, a court might reach a different conclusion, it is not authorized to substitute its own judgment for the administrative judgment." (Citing cases.)

In *Gray v. Powell*, 314 U. S. 402, 412, this Court also held:

"It is not the province of a court to absorb the administrative functions to such an extent that the executive or legislative agencies become mere fact finding bodies deprived of the advantages of prompt and definite action."

Here, we have the unusual case of two patents being held invalid by the Court of Appeals, each on the basis of a prior patent urged by the defendant as his principal defense, and which had been fully considered by the duly authorized and expert examiners in reaching their determinations that the claims in suit define patentable invention over the prior art.

This Court has not specifically applied this doctrine to questions of patent law, and no cases have been found in which a Court of Appeals has so applied it.

In *Hall v. Montgomery Ward*, 51 F. Supp. 430, 439 (D. C. W. Va.); *National v. Harris*, 73 F. Supp. 568 (D. C. Okla.) (affirmed 171 F. 2d 85), and *Hall v. Keller*, D. C. La., 80 F. Supp. 767, this Court's decision in *Swayne and Hoyt v. U. S.*, *supra*, is cited as authority for the proposition that the decision of the Patent Office officials should not be set aside unless it is clearly erroneous.

35 U. S. C. 36 provides for the examination of patent applications and reads as follows:

"Sec. 4893. R. S. (U. S. C., title 35, sec. 36.) On the filing of any such application and the payment of the fees required by law, the Commissioner of Patents shall cause an examination to be made of the alleged new invention or discovery; and if on such examination it shall appear that the claimant is justly entitled to a patent under the law, and that the same is sufficiently useful and important, the commissioner shall issue a patent therefor."

The patent grant certifies that a formal application has been filed and the other requirements of the law complied with, and that the applicant is judged to be justly entitled to a patent for his invention.

The various questions which may arise are:

Is the invention sufficiently useful?

Is the invention sufficiently important?

Is the invention sufficiently new?

Is the invention one which has been in public use or is otherwise barred from patent protection to the inventor?

The usual issue in the Patent Office is the novelty of the invention and the examiner cites the most pertinent of the prior art found by his searches, the applicant amends his claims or argues their merits, until issue is finally joined. If the issue is favorable to the applicant, a patent is granted after he has paid the final fee, and the applicant receives his patent with the claims which have been subjected to official scrutiny and administratively determined to define the scope of his rights.

Such an administrative determination is as much a proper administrative determination of a question by duly authorized officials in accordance with the standards set forth in the statutes as any other administrative determination.

The Patent Office determination that a particular claim defines patentable subject matter over a particular prior patent should be accorded the usual binding effect until it is shown to be "clearly erroneous", unsupportable, or until the error is shown beyond a reasonable doubt. Where a prior patent overlooked by the examiner is relied on as a defense, the determination, of course, should be examined in the light of the new and completely different state of facts.

Accordingly, the claims in suit of the Winkel and re-issue patents should be sustained as valid, the "ultimate findings" of the Court of Appeals for the Seventh Circuit notwithstanding.

b. Does 35 U. S. C. 69 permit the trial *de novo* of issues previously passed on by the Patent Office and administratively determined in favor of the patentee?

Quaere: If such trial *de novo* is permitted, to what extent is the Patent Office determination binding in a subsequent trial?

Title 35 U. S. C. 69 provides:

“In any action for infringement the defendant may plead the general issue, and * * * may prove on trial one or more of the following special matters:

Third. That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than one year prior to his application for a patent therefor; or,

Fourth: That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,”

This Court in numerous cases has passed upon the general effect of this section and the corresponding provisions of the earlier acts. The “third” of the special defenses raises the issue of novelty of the patent while the “fourth” is sustained by proof that the patentee was not the original and first inventor of the thing patented. In no case, except those arising under the “fourth” of the five special defenses, has this Court passed upon the question of whether a Patent Office determination of the same issue is binding in an infringement action brought on the patent.

In *Radio Corporation of America v. Radio Laboratories*, 293 U. S. 1, this Court held that while the decision of the Patent Office in an interference proceeding was not absolutely binding on a stranger to the proceedings, the decision could be set aside only by evidence sufficient to carry conviction to the mind, and that the administrative decision of the Patent Office would not be set aside unless the contrary facts were established by the clearest proof. In this connection the Court discussed many cases and particularly *Morgan v. Daniels*, 153 U. S. 120.

Apparently, this Court has not passed upon the question here presented as to whether or not an administrative determination that the subject matter of claims has not been previously patented or described in a particular printed publication, is entitled to the same weight as the administrative determination of an interference proceeding. It would seem that if the decision on one issue were binding in later litigation between the patentee and other parties, it should be equally binding with respect to any of the five defenses so far as the issues raised in an infringement action have been previously determined in the Patent Office.

Here, with respect to both patents in suit, the same prior patents most strongly urged by the defendant and forming the basis for the holdings of invalidity by the Court of Appeals for the Seventh Circuit were carefully and extensively considered by the Patent Office in reaching its determination that the claims were patentable over the prior art.

As an administrative determination, the decision of the Patent Office on a precise issue of patentability over a particular prior patent should be sustained unless it is

shown to be erroneous by the clearest kind of evidence. Otherwise, there seems to be little purpose served by the repeated examination of the applications and the successive amendments and rejections which eventually lead to the patent grant.

A patent has sometimes been described as a contract between the inventor and the government, and is so referred to in *Grant v. Raymond*, 31 U. S. 218, 242; Robinson, "The Law of Patents" (1890), Sec. 481; Walker on Patents—Deller Edition, page 703. Whether or not this is strictly true, the fact remains that the inventor makes a full disclosure of his invention in his application, this is examined by the Patent Office and its corps of technically trained and experienced examiners and in return for the disclosure to the public of what the inventor might otherwise keep secret, the Patent Office grants a patent with claims which are presumed to define the novelty of the invention over the prior art found by the examiners in searching the official files. Up to the time that the inventor pays the final fee, he can judge whether he wishes to patent his invention and thereby eventually make it available to the public, or keep it secret; the law accords him this option. If he patents his invention, he reasonably expects to derive some rights from his formal procedure in accordance with the law, particularly in a case where the Patent Office has found the most pertinent prior art and then determined that the claimed invention was patentable over this prior art. If the courts are authorized to reexamine the precise issue each time the patent is litigated, there is little incentive for an inventor to "promote the progress of science and the useful arts" by filing an application and taking a patent on his invention.

Where there is substantial novelty, substantial utility and a substantial new result, and the inventor has other-

wise complied with the statutes, and these facts have been so found by the Patent Office, his patent should be sustained as valid in the absence of new and controlling evidence. This is particularly true where, as here, the administrative determination of the questions presented has been fully confirmed by the findings of the District Court.

Unless there be some certainty that a patent grant is of some force and effect where the Patent Office has considered the most pertinent prior art, the public is misled and confusion results not only to the patentee or his assignee, but also to the public at large.

III. The Court Below Has Departed From the Accepted Course of Judicial Proceedings.

The findings of fact of the District Court are particularly detailed and complete and throughout are amply supported by references to the minutes of the trial. These findings include not only findings of the facts of invention with respect to both the Winkel patent No. 2,051,063 and the Evans and McDonough reissue patent No. 22,660, but also include detailed findings as to the subsidiary facts on which the findings of the facts of invention are based.

The findings of fact by the district judge (R. 1330-1351) and his conclusions of law (R. 1351, 1352) were reached only after both plaintiff and defendant had submitted proposed findings of fact (defendant's proposed findings of fact, R. 1310-1329), and after oral argument had been had before the trial judge presenting in detail the objections of the respective parties to the proposed findings (R. 615-644).

In its decision, the Court of Appeals for the Seventh Circuit states:

“This is not a case where the findings of fact depend upon disputed evidence of controverted facts but is rather one where the ultimate findings depend upon whether recorded prior art is such that the patentee has achieved invention over and above the same.”

Plaintiff's expert witnesses were in conflict with defendant's expert witnesses on almost every major point. The main area of agreement between them was on questions of infringement, and throughout the trial, defendant made no serious contention of non-infringement.

There was complete disagreement between the witnesses for the respective parties as to whether burning or dry-baking of hair by the Winkel pad was possible or inherently impossible.

On the Evans and McDonough result there was conflicting testimony with respect to the hazards and explosive nature of mixtures of potassium chlorate and oxidizable materials, and with respect to the presence or absence of an inert ingredient in the Baker patent No. 1,760,102 (R. 478, 1348, Finding 63). There was also disagreement on whether or not Baker's compositions, as disclosed, would produce boiling or hair-waving temperatures, and as to the range of modification taught by the disclosure of the Baker patent (R. 379, 380, 423, 424, 434, 478, 537-543, 1347, 1348, Findings 61, 62). The range of teaching of a chemical prior patent would seem to be a subject which could only be decided in the light of expert testimony.

These, of course, were not the only points of disagreement and conflict between the witnesses, but are cited merely as specific examples showing the statement in the Court of Appeals' decision to be clearly in error.

Thus, by asserting the absence of disputed evidence or controverted facts, the Court of Appeals finds a basis to reverse the findings of the District Court, while acknowledging that the Federal Rules prevent review of a finding of fact unless it is clearly erroneous.

The decision of this Court in *Sanitary Refrigerator Co. v. Winters*, 280 U. S. 30, 31, stated by the Court of Appeals to be directly in point, holds that findings of fact may be reviewed where there are conflicting findings arising from different courts. The other cases cited by the Court of Appeals in its decision are no more in point. *Singer Co. v. Kramer*, 192 U. S. 265, was a decision involving the scope of equivalency to be accorded patent claims in deciding a question of infringement. *Uihlein v. General Electric Co.*, 47 F. 2d 997, involved conflicting decisions on the same subject matter as found by four different tribunals. *Process Engineers v. Container Corp.*, 70 F. 2d 487, is a case in which the Circuit Court of Appeals for the 7th Circuit refused to be bound by the findings of fact of the District Court because the findings were

“the work of industrious counsel who combined his argument and a partisan and unfair statement of facts into one and called it ‘findings of fact’ ”.

Here, both sides submitted their proposed finding of fact and the findings of the District Court were made only after extensive oral argument before the trial judge and each party presented his objections to the findings proposed by the other party. Consequently, even if the objection noted be a valid one, it cannot apply here where the findings were finally made only after careful consider-

ation by the trial judge and in the light of the extensive argument and objections of both parties.

The Court of Appeals for the Seventh Circuit, apparently considered the patents in suit and the prior art patents only on their faces, and relied upon its own comparison of the patents in suit with what is taught by the prior art. It disregarded the voluminous testimony by fact and expert witnesses on the structural and chemical differences and the significance of these differences in operation and result. Thus, it arrived at its own independent holding of invalidity with respect to each of the patents in suit, apparently in line with its doctrine that patentable invention is a question of law. This is quite apparent from the Court's opinion where it makes the assertion that the patents in suit and the prior art can be completely evaluated without the need for expert testimony, an assertion completely contradicted by the minutes of the trial. The Court of Appeals then applies a rule of law supported by a line of authorities in which the facts were completely at variance with the facts in this case.

For the reasons above stated it is urged that this petition for writ of certiorari be granted.

Respectfully submitted,

HOBART N. DURHAM,
Counsel for Petitioner.

GEORGE B. FINNEGAN, JR.,
JAMES J. DWYER,
Of Counsel.